

**Louisiana State Employees' Retirement System
Regular Board Meeting
May 27 and 28, 2010**

The Board of Trustees of the Louisiana State Employees' Retirement System met on Thursday, May 27, 2010, in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Mr. Charles Castille, Board Chair, called the meeting to order at 1:05 p.m. Roll call was conducted by Caye Weaver, recording secretary.

Members present: Ms. Connie Carlton, Mr. Charles Castille, Ms. Beverly Hodges, Ms. Amy Mathews (*designee for Treasurer Kennedy*), Ms. Susan Pappan, Ms. Lori Pierce, **Ms. Sheryl Ranatza*

Members absent: Senator Butch Gautreaux, Ms. Janice Lansing, Ms. Barbara McManus, Representative Kevin Pearson, Ms. Kathy Singleton

Staff present: Ms. Cynthia Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director; Mr. Trey Boudreaux, Assistant Director; Mr. Bobby Beale, Chief Investment Officer; Mr. Troy Searles, Deputy Chief Investment Officer; Ms. Tina Vicari Grant, Executive Counsel; Investment Staff: Celeste Funderburk, Alisa Lacombe, Mac Owens, Chris Hill, Laney Sanders, and Darren Fournerat

Also present: Mr. Rhett Humphreys and Ms. Kristen Colvin, NEPC, LLC

** arrived after roll call*

A quorum was not present.

New Business

Mr. Beale reviewed the background of the International Small Cap Equity search. (**Ms. Ranatza arrived and a quorum was present*). Mr. Humphreys then reviewed the finalists in the search book and their past performance. Mr. Beale also reviewed the process he used in making his choices. Mr. Humphreys then stated that NEPC recommends the Board hire up to two (2) managers for the International Small Cap Equity mandate. Mr. Beale stated he agreed with that recommendation. **Ms. Carlton moved, seconded by Ms. Pierce, to hire up to two (2) managers for the International Small Cap Equity mandate. With no further discussion and no objection, the motion carried.**

Mr. Humphreys and Mr. Beale then recommended that the Board choose three (3) finalists to interview for the International Small Cap Equity mandate. **Ms. Mathews moved, seconded by Ms. Carlton, to interview three (3) finalists for the International Small Cap Equity mandate. With no further discussion and no objection, the motion carried.**

Mr. Humphreys then stated that NEPC recommends interviewing Dimensional Fund Advisors, L.P. - Small Cap Value, Pyramis Global Advisors, and Wellington Management Company, LLP. Mr. Beale recommended the same three managers. Mr. Castille asked Ms. Rougeou for her recommendations and she stated she agreed with the Consultant and Chief Investment Officer recommendations. **Ms. Carlton moved, seconded by Ms. Mathews, to interview the three managers recommended: Dimensional Fund Advisors, L.P. – small cap value, Pyramis Global Advisors, and Wellington Management Company, LLP. With no further discussion and no objections, the motion carried.** With the motion, the three managers are now on the blackout list, and will remain until a manager(s) is selected for the mandate. Mr. Beale advised the committee that due diligence trips will begin after the Legislative session ends.

The Board then recessed at 2:00 p.m.

The Board of Trustees of the Louisiana State Employees' Retirement System reconvened on Friday, May 28, 2010, in the fourth floor Boardroom of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Mr. Charles Castille, Board Chair, called the meeting to order at 11:47 a.m. Roll call was conducted by Kai Ranallo, recording secretary.

Members present: Mr. John Broussard (*designee for Treasurer Kennedy*), Ms. Connie Carlton, Mr. Charles Castille, Ms. Beverly Hodges, Ms. Janice Lansing, Ms. Susan Pappan, Ms. Lori Pierce, Ms. Sheryl Ranatza, Ms. Kathy Singleton

Members absent: Ms. Barbara McManus, Senator Butch Gautreaux, Representative J. Kevin Pearson

Staff present: Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director; Mr. Trey Boudreaux, Assistant Director; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Kai Ranallo, recording secretary. Other LASERS staff: Ms. Suzanne Adams, Ms. Katreena Moses, Ms. Pat Moore, Mr. Artie Fillastre, Ms. Robyn Eking; Ms. Allison Vince; Ms. Ashley Menou, Mr. Barney Miller

A quorum was declared present and the meeting opened for business.

Regular Business

Mr. Castille called for approval of the minutes of the April 23, 2010, Board Meeting. Ms. Carlton moved, seconded by Ms. Singleton, to approve the minutes. With no objection or discussion, the motion passed.

Ms. Carlton reported that the Investment Committee met on Thursday, May 27, 2010, and had the following to report:

The Investment Committee recommended and Ms. Carlton so moved, seconded by Ms. Pierce, to approve the asset allocation plan as recommended. Mr. Broussard noted that the Office of the Treasurer is comfortable with the target allocation that the System is in at this time, but if the target changed to any higher than 25% of the total portfolio in the alternative classes of assets that they would not be comfortable. With no objection and no further discussion, the motion carried.

The Investment Committee recommended and Ms. Carlton so moved, seconded by Ms. Ranatza, to add a TIPS component to both SDP and ORP plans. With no objection or discussion, the motion carried.

The Investment Committee recommended and Ms. Carlton so moved, seconded by Ms. Pierce, to renew the contract with Rice Hall James for another five years. With no objection or discussion, the motion carried.

Ms. Carlton reported that the Legislative Committee met on Friday, May 28, 2010, and had the following to report:

The Legislative Committee recommended and Ms. Carlton so moved, seconded by Ms. Ranatza, to ratify the position authorized by the chair on SB 594. With no objection or discussion, the motion carried.

The Legislative Committee recommended and Ms. Carlton so moved, seconded by Ms. Lansing, to allow Ms. Rougeou to speak on behalf of Representative LaBruzzo, should she be asked to do so, on HB 1460 maintaining the Board's neutral position on the bill. With no objection or discussion, the motion carried.

The Legislative Committee recommended and Ms. Carlton so moved, seconded by Ms. Ranatza, to change our position to support HB 391. With no objection or further discussion, the motion carried.

Ms. Ranatza reported that the Management Committee met on Friday, May 28, 2010, and had the following to report:

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the May 2010 Disability Retirement report. With no discussion or objection, the motion passed.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the revised Board Governance Policies, as presented. With no discussion or objection, the motion passed.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the revised evaluation forms for the Executive Director and Board, as discussed. With no objection or discussion, the motion carried.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Hodges, to approve travel for any Trustee interested in attending the NASRA Conference in Seattle, August 6-11, 2010. With no objection or discussion, the motion carried.

The Management Committee reviewed the administrative errors report, located in the Board book behind the Management Committee tab.

New Business

Ms. Rougeou introduced Allison Vince, an RBA in Member Services as LASERS new employee; and Ms. Grant introduced Ashley Menou, as the Legal Division's new law clerk.

Other Business

No other business was discussed.

Public Comment

No public comment was made.

Adjournment

The meeting adjourned at 11:56 a.m.



Cindy Rougeou, Executive Director